

Ahead of trade talks with US, govt updating itself on import tariffs

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The Commerce Department and the Department of Revenue will sit together to work out the country's average import tariffs so that there is absolute "clarity" on the matter when India starts negotiating the proposed bilateral trade agreement (BTA) with the US, sources have said.

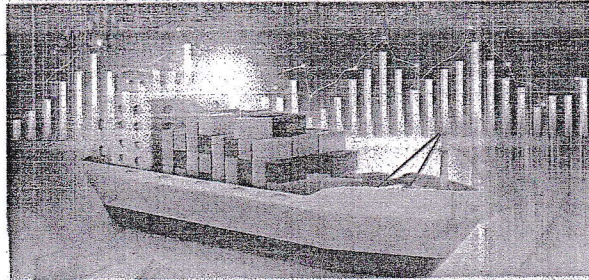
A series of sectoral meetings has also been planned by the Commerce Department with different line Ministries on various aspects of the BTA and the possible implications of reciprocal tariffs to be announced by US President Donald Trump, the source added.

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"We will meet different ministries and sensitise them about the current state of affairs between India and the US. We have to understand their issues because if we have to do a bilateral trade agreement, all Ministries will need to be on the same page. We will talk about reciprocal tariffs and India-US trade aspects," the source said.

Trump has been accusing India of being a "tariff king" and maintaining very high tariffs on imports that were unfair to American businesses. He announced a plan of imposing reciprocal tariffs on trade partners, including New Delhi, matching their import levies.

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TARIFF TANGO

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OLD, INACCURATE DATA

The source said that data on India's tariffs in international data bases were on the basis of reported data. "They are mostly old and not accurate. So we are working on that exercise with the Department of Revenue so as to have a very clear picture on what the tariffs actually are," the source said.

The US data normally draws from the WTO, which date back to about 2022, the source pointed out, adding that it too needed to be examined.

"It is expected that there would be a difference, although not too much, once the tariffs are updated," the source said.

Clarity on the matter of tariffs is important in both the BTA talks and to measure reciprocity.

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During the recent visit of Prime Minister Narendra Modi to Washington, India and the US announced their commitment to more than double the two-way commerce to \$500 billion by 2030 and negotiate the first tranche of a mutually beneficial, multi-sector BTA by fall of 2025.

Trump has already announced 25 per cent tariffs on steel and aluminium that are to be imposed on all countries next month while tariffs on automobiles, pharmaceuticals and semiconductor chips are in the works.